



PSC NEWS

Missouri Public Service Commission

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LACLEDE GAS CUSTOMERS IN FORMER FIDELITY NATURAL GAS SERVICE AREA TO RECEIVE RATE REDUCTION QUICKER

JEFFERSON CITY—In order that former Fidelity Natural Gas customers of Laclede Gas Company (Laclede) may receive the benefits of a reduction in wholesale supplier rates more quickly, the Missouri Public Service Commission has approved a request filed by Laclede for a variance of certain billing provisions. The Commission approved the variance December 13, 2006.

In February of this year, Laclede purchased the Fidelity Natural Gas Company.

In its operation prior to the sale, Fidelity Natural Gas Company was unable to prorate customer bills to reflect changes in wholesale supplier rates. Laclede stated in its request that until it could incorporate Fidelity customers into its rate structure and billing system, it would remain unable to prorate unless it received a variance from the PSC.

Laclede stated that current Fidelity tariffs require Laclede to base most of its December bills to former Fidelity customers on the higher rate that was in effect prior to November 20, 2006. Granting the variance will allow Laclede to prorate the reduction on customer bills and customers will see the benefits of the reduction quicker.

As part of its pending rate case with the PSC, Laclede is seeking to place former Fidelity Natural Gas Company customers into its rate structure and billing system.

Effective November 20, 2006, the Commission approved a rate reduction filed by Laclede for former Fidelity Natural Gas Company customers. The reduction reflected a change in wholesale supplier rates as well as a change in the Actual Cost Adjustment factor.

Under the filing, natural gas rates for a typical residential customer dropped by approximately \$0.35 cents per Ccf (per 100 cubic feet of gas). That rate dropped from approximately \$1.20 per Ccf to approximately \$0.85 per Ccf.

Laclede Gas Company serves approximately 1,240 natural gas customers in the Sullivan, Missouri area.